UNDP

# UNITED NATIONS DEVELOPMENT PROGRAMME

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ENGLISH

**APPROVAL OF UNDP/UNCDF ASSISTANCE TO A PROJECT OF BENIN**

**IPF: (1992-96) $32 500 000**

**(BEN/88/C03) - Improvement of Living Conditions in the Aquégués Lakeside Sous-préfecture**

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| Date of approval by the AC:[1/] | 29 January 1992 |
| Expected duration: | Six years |
| Proposed executing agency: | UNDP/OPS |
| Government implementing agency: | Ministry of Planning and Economic Reconstruction |
| Proposed UNCDF contribution: | $4 191 600 Source of funds: General Resources |
| Proposed UNDP contribution: | $1 010 400 Source of funds: IPF |
| World Food Programme: | $ 370 400 |
| Government cost sharing: | $ 54 600 |
| Total budget: | $5 627 000 |

## Project background

Since 1983, the Government of Bénin has been experiencing financial and economic setbacks characterized by a low economic growth rate and serious budgetary imbalances. To redress this situation, the Government has started to implement, with the help of the IMF and the World Bank, a financial and structural adjustment programme covering the period 1989-1992. This programme aims to: (i) raise the level of the country's economic growth to a projected 2.5 percent in 1991, 3.5 percent in 1992 and 4 percent in 1993-1994; and (ii) contribute to a return to a fiscal and current account balances.

Within the framework of the above-mentioned adjustment programme, the Government designed a "Social Dimension of Adjustment" Programme (SDA) to minimize the burden of the economic adjustment programme on the poorest segment of the population. This programme focuses on the rehabilitation of social infrastructure and the minimizing of the number of jobs lost as a result of the economic adjustment. The current project in the administrative unit (sous-préfecture and by assisting the population to better manage and exploit their natural resources. This project will further complement the actions taken by the Government of Bénin with the assistance of UNDP to improve rural infrastructure within the framework of the "PASU" (Urgent Social Action Programme). The proposed project will also complement other projects located in the same area financed by GTZ, CCCE, EDF and WFP in the following sectors: water supply, fisheries, basic health and primary education The project will be located in a remote area in the southwest of Bénin, alongside the Ouémé river in the administrative district of the Aguégués which includes 21 villages surrounded by lakes and swamps. The area is inundated most of the time as a result of tides and floods caused by rains.

## Description of project

The overall objective of this project is to assist the Government in the implementation of its "Social Dimension Adjustment Programme" which seeks to address the needs and concerns of the poorest segment of the population likely to be adversely affected by the economic

[1/] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

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adjustment programme. The immediate objectives of the project are to: (a) improve the living conditions of the rural population in the administrative district (sous-préfecture) of the Aguégués by helping them meet their immediate needs in transportation and basic social infrastructure; (b) provide the population of the Aguégués with the mechanisms and the necessary means to create the conditions for the long-term economic development of their district and protect the environment; (c) contribute to the construction of three dikes and a wharf to facilitate access to and from the villages of the Aguégués area which are inundated during most part of the year; (d) improve the social infrastructures in this area by building/rehabilitating schools, health centres and, offices and limited housing for Government employees; and (e) build on the success achieved by GTZ in the afforestation of mangrove swamps to gradually assist the population of the Aguégués to reconstitute an appropriate ecosystem. An equipment Fund will be established to: (i) assist the fishermen to increase their revenue through the introduction of improved production techniques and a credit facility; (ii) improve the marketing and distribution of fish and shell-fish through the construction of improved sales points and the setting up of a credit facility; (iii) increase agricultural and livestock production through the establishment of a credit facility for farmers and livestock owners, the provision of technical advice, the financing of research activities and the introduction of improved production practices; and (iv) promote a tourism industry through: (a) sensitization of the population on the income generating potential of this activity; (b) studies to identify attractive animal species and plants in the Aguégués area; (c) establishment of a development plan for mangrove swamps as potential tourist attractions; and (d) the setting up of an investment fund for the execution of the identified activities.

## Inputs

UNCDF will finance the construction of dikes and wharf, the construction/rehabilitation of various basic infrastructures, a socio-economic study, the reconstitution of the ecosystem, the improvement of the exploitation of the lakes' fishing resources, improvement of agricultural and livestock production promotion of tourism, and such project-related equipments and services as ferries, vehicles and their maintenance and office materials and equipment. It will also finance the formulation, follow-up and supervisory missions, contingencies, support and agency costs.

UNDP will cover the costs of international and national personnel, international travel and in-country mission costs, training and sensitization, report costs, equipment, and miscellaneous costs.

The Government will cover the costs of salaries of national counterparts.

World Food Programme will provide food for the inhabitants of Aguégués who will participate in the project activities and for the school children.

## Financial data

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| | UNCDF | UNDP | WFP | GOVT. |
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| Missions | 137 000 | | | |
| Opening up of sub-Prefecture | 600 000 | | | |
| Infrastructure | 2 703 000 | | 370 400 | 54 600 |
| Reconstitution of ecosystem | 35 000 | 31 400 | | |
| Improv. of Exploit. of water resources | 191 000 | | | |
| Livestock & agriculture | 42 000 | | | |
| Promotion of tourism | 56 000 | 22 000 | | |
| Project unit | 79 000 | 909 000 | | |
| Contingencies | 192 000 | 48 000 | | |
| Support Cost | 115 000 | | | |
| Agency Cost | 41 600 | | | |
| Total | 4 191 600 | 1 010 400 | 370 400 | 54 600 |